

Application and Agreement for Infrastructure Development Film and Digital Media Incentives

PART 1: INSTRUCTIONS AND INFORMATION

INFRASTRUCTURE DEVELOPMENT INCENTIVES FOR FILM AND DIGITAL MEDIA INDUSTRY

To qualify for the 25 percent tax credit against the Michigan Business Tax (MBT), applicant agrees that the following must be satisfied:

- ☐ A qualified film and digital media infrastructure project does **not** include a movie theater or other commercial exhibition facility, a facility used to produce obscene matter or an obscene performance as described in 1984 PA 343, MCL 752.361 to 752.374, or a facility used for a production for which records are required to be maintained with respect to any performer in the production under 18 USC 2257.
- ☐ Minimum amount of investment and expenditure before January 1, 2009 is \$100,000.
- ☐ Minimum amount of investment and expenditure after December 31, 2008 is \$250,000.
- ☐ Credit will be reduced for projects where a brownfield credit has been given for the same investment.
- ☐ Pursuant to the recapture provision in section 457(3)(i), if the cost of tangible assets described in section 457 (11)(a) was paid or accrued in a tax year beginning after December 31, 2007, the taxpayer shall repay an amount equal to 25% of the gross proceeds or benefit derived from the sale or other disposition of the tangible assets with certain adjustments.
- ☐ Credit may be claimed after all other credits have been claimed under the MBT Act (2007 PA 36).
- ☐ Work must begin within 180 days after the date of the agreement. A 90-day extension is available for good cause.
- ☐ \$100 application fee paid to Michigan Film Office.

Additional information on Film and Digital Media Incentives can be found at www.michigan.gov/filmoffice.

APPLICATION CHECKLIST FOR START-UP BUSINESS CERTIFICATION

- ☐ Completed Application
- ☐ Appropriate signatures of authority certifying accuracy of information; i.e., president, chief operating officer, chief financial officer, highest ranking officer within the company
- ☐ Application fee
- ☐ A detailed business plan or marketing plan must be attached

APPLICATION SUBMISSION

This completed application/agreement portion must be submitted to the Michigan Film Office at the address below, along with supporting documents:

Michigan Film Office
Michigan Economic Development Corporation
300 North Washington Square - 4th Floor
Lansing, MI 48913

For questions regarding this application, please contact the Michigan Film Office at (800) 477-3456.

ADDITIONAL INFORMATION

Approved applicants will be notified by the Michigan Film Office. Once the project has met the requirements of the agreement, the applicant can request an Investment Expenditure Certificate (IEC) from the Michigan Film Office. The IEC is used to claim the credit when the applicant files its Michigan Business tax return.

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PART 1: GENERAL INFORMATION

1. Applicant Entity Legal Name (business entity to receive tax credit)		2. Federal Tax Identification Number or MI Treasury No.	
Address (Street/P.O. Box)		City, State, ZIP Code	
Telephone Number	Fax Number	E-mail Address	
3. Doing Business As (If Applicable)		Telephone Number	
Address (Street/P.O. Box)		City, State, ZIP Code	
Primary NAICS Code		Taxpayer Web site (if any)	
4. Applicant Type <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Other: _____ <input type="checkbox"/> S-Corporation <input type="checkbox"/> LLC - taxed as a corporation <input type="checkbox"/> C-Corporation <input type="checkbox"/> LLC - taxed as a partnership			
5. Name of Person Completing Agreement		Telephone Number	E-mail Address
Address of Person Completing Agreement (Street, P.O. Box, City, State, ZIP Code)		Fax Number	
6. Provide a detailed description of the qualified film and digital media infrastructure project. Attach the detailed business plan and market analysis for the project.			
7. Will all or a portion of your qualified film and digital media infrastructure project be a facility that may be used for purposes unrelated to production or postproduction activities? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, then the project is eligible for the credit only if the Department of Treasury determines that the facility will support and be necessary to secure production or postproduction activity for the production and postproduction facility and you agree to BOTH of the following: (a) The facility will be used as a state of the art production or postproduction facility or as support and component of the facility for the useful life of the facility. <input type="checkbox"/> Agree (b) A credit will not be claimed under this section (457 of the Michigan Business Tax Act) until the facility is complete. <input type="checkbox"/> Agree			
8. Expected start date of the project		9. Expected completion date of the project	10. Total capital investment for the project
11. Number of direct jobs this project will create		12. Average wage paid to the employees for this project	
13. Amount the taxpayer has invested and expended in film or digital media production in the current year			
14. Explain how the absence of this credit will cause this project to go to another state or country.			
15. Explain how this project will help to promote economic development or job creation in Michigan.			
16. Explain how this credit will attract private investment for the production of motion pictures, videos, television programs, and digital media in this state.			
17. Identify any other economic development incentives already committed to this project (i.e., Brownfield Redevelopment Credit, Renaissance Zone Designation, etc.)			

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18. Pursuant to section 457(3)(g) of the Michigan Business Tax Act, I/We will not file a claim for the credit under this section until at least 25% of the base investment (as defined in section 457(11)(a) of the Michigan Business Tax Act) in the qualified film and digital media infrastructure project identified in this application/agreement has been expended. ☐ Agree

The Applicant/Taxpayer shall provide the Michigan Film Office with the information and independent certification the Michigan Film Office and the Department of Treasury deem necessary to verify investment expenditures and eligibility for the credit. ☐ Agree

CERTIFICATION AND AGREEMENT OF UNDERSTANDING

- ☐ I certify that I am an authorized representative of the applicant and as such am authorized to make the statements of affirmation contained herein.
- ☐ I hereby agree to allow representatives of the Michigan Film Office and the Michigan Department of Treasury access to the property and applicable records as may be necessary for the administration of this program.
- ☐ I certify, under penalties of perjury, that the statements and information contained in this application/agreement and attachments are complete, true, and correct to the best of my knowledge and belief.
- ☐ I certify that the applicant listed in this agreement is not delinquent in a tax or other obligation owed to the State of Michigan nor is owned or under common control of an entity that is delinquent in a tax or other obligation owed to the State of Michigan.
- ☐ I certify that the applicant will comply with the delinquency and default certifications for the length of the agreement and understand that this compliance will be a condition of receiving the investment expenditure certificate.

I understand that:

Information, records, or other data received, prepared, used, or retained by the Michigan Film Office under Section 457 of the MBT Act that are submitted by a taxpayer and considered by the taxpayer and acknowledged by the office as confidential shall not be subject to the disclosure requirements of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Information, records, or other data shall only be considered confidential to the extent that the information or records describe the commercial and financial operations or intellectual property of the taxpayer, the information or records have not been publicly disseminated at any time, and disclosure of the information or records may put the taxpayer at a competitive disadvantage. **A taxpayer submitting materials must specifically designate any information and records that the taxpayer deems confidential by stamping or marking each page of information with the legend "Confidential." Items other than printed documents must be marked "Confidential" in a conspicuous manner appropriate to the items in question. Any information or records submitted by a taxpayer that is not specifically designated by the submitting taxpayer as confidential shall be treated as public information and subject to release by the Michigan Film Office.**

- ☐ To claim a credit under Section 457 of the MBT Act, a taxpayer shall submit an investment expenditure certificate (IEC) issued under subsection (5) to the Michigan Department of Treasury. If the credit allowed under Section 457 of the MBT Act exceeds the amount of taxes owed by the taxpayer under the MBT Act for a tax year, that portion of the credit that exceeds the tax liability of the taxpayer for the tax year shall not be refunded but may be carried forward to offset tax liability under this act in subsequent tax years for a period not to exceed 10 tax years or until used up, whichever occurs first.

- ☐ The credit under Section 457 shall be claimed after all other credits under the MBT Act. A taxpayer eligible to claim a credit under this section may assign all or a portion of a credit under this section to any assignee. An assignee may subsequently assign a credit or any portion of a credit assigned under this subsection to 1 or more assignees. A taxpayer may claim a portion of a credit and assign the remaining credit amount. A credit assignment under this subsection is irrevocable. The credit assignment under this subsection shall be made on a form prescribed by the Michigan Department of Treasury. A taxpayer claiming a credit under this section shall send a copy of the completed assignment form to the Michigan Department of Treasury in the tax year in which the assignment is made and shall attach a copy of the form to the return on which the credit is claimed.

The Certification must be completed by the taxpayer, an officer of the taxpayer or a person authorized to sign the taxpayer's tax returns.

Preparer's Printed Name

Preparer's Signature

Date

Note: Application/Agreement incorporates the instructions by reference as to all signatures.

Mail or overnight the agreement and all related documents to: Michigan Film Office, Michigan Economic Development Corporation, 300 North Washington Square, 4th Floor, Lansing, MI 48913

FILM OFFICE AND DEPARTMENT OF TREASURY USE ONLY

Maximum value that may be issued subject to verification of this project's actual investment expenditures in compliance with the \$20 million cap in total credits authorized under section 457 in a tax year.

☐ **APPROVED**

☐ **DENIED**

Michigan Film Office Signature

Date

☐ **CONCURRENCE**

☐ **NON-CONCURRENCE**

State Treasurer Signature

Date

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